I **THE APPROPRIATION (NO.3) BILL, 2000**

II **THE APPROPRIATION (NO.4) BILL, 2000**

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA) : Madam, I move:

> "That the Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 2000-2001, as passed by Lok Sabha, be taken into consideration."

Madam, this Bill arises out of the Supplementary Appropriations charged on the Consolidated Fund of India and Demands voted by the Lok Sabha. It is proposed to augment the sanctioned provision by Rs. 2536.66 crores. Details of Supplementary Demands are given in the document, which has already been laid on the Table of the House.

However, to the extent of Rs. 1903.55 crores, the augmented provision is matched by savings of the concerned Departments or by enhanced receipts/recoveries. In addition, a token provision of Rs. 12 lakh is being sought, one lakh for each item of expenditure, for enabling re-appropriation of savings in cases involving New Service or New Instrument of Service. Hence, the net cash outgo involved in the proposals is only Rs.632.99 crore.

Madam, I further beg to move:

> "That the Bill to provide for the authorization of appropriation of moneys out of the Consolidated Fund of India to meet the amounts spent on certain services during the financial year ended on the 31st day of March, 1998, in excess of the amounts granted for those services and for that year, as passed by Lok Sabha, be taken into consideration."

Madam, the Appropriation (No.4) Bill, 2000 seeks to provide for appropriation out of the Consolidated Fund of India of the moneys required to meet the expenditure incurred in excess of the appropriations charged on the Consolidated Fund of India and the Grants made by Lok Sabha for the financial year 1997-98. The excess expenditure has been scrutinized by the Public Accounts Committee which have, in their Sixth Report (Thirteenth Lok Sabha), recommended regularization of the excess expenditure on 31st March, 1998. Out of the 97 Grants, and 5 Appropriations in 1997-98, excess expenditure occurred in 3 Grants, amounting to Rs. 370.07 crore.

The questions were proposed.

श्री संघ प्रिय गौतम (उत्तर प्रदेश): मैडम, सदन में बड़ी गंभीर शांति है।

उपसभापति : अच्छा है, इतनी शांति है क्योंकि पैसों का मामला है, शांति से बहस होनी चाहिए। The figures go above my head. I cannot even calculate how much the Finance Minister is asking us to appropriate to him.

श्री अनन्तराय देवशंकर दवे (गुजरात): आपको भी बहुत शांति पसंद है!

उपसभापति : कभी-कभी इतनी शांति अच्छी नहीं होती। Shri S.B. Chavan.

SHRI S.B. CHAVAN (Maharashtra): Madam, Deputy Chairman, it was a disquieting scene that almost 18 State Governments came to Delhi, saw the Prime Minister, and everybody expressed the view that the Finance Commission had done a great injustice to them. Normally, in a statutory authority, this kind of a scene was never seen before. We find, for the first time, a large number of States are expressing great apprehensions about the impact it will have on their economy. It will not be out of place if I request the hon. Finance Minister to let me know as to what alternative methods the hon. Prime Minister has suggested, because I don't think the recommendations made by the Finance Commission can be opposed. We cannot possibly take that sort of a line. But at the same time, the States which have shown greater efficiency; better results, feel that if resources are not made available to them, their total economy will be affected adversely. Therefore, it becomes absolutely necessary to have some kind of a mechanism so that the States which have been doing well, showing greater efficiency, are not penalised to benefit other States. In fact, I cannot possibly say anything against the backward States. I have seen four or five

5.00PM

Finance Commissions; the same line has been followed by all the Finance Commissions. My question to the hon. Finance Minister would be-- he happens to come from the State of Bihar - there are a number of other States which have been paid enormously by the last four or five Finance Commissions - is the hon. Finance Minister satisfied about the fact that the amount which had been given to those backward States, developing States, was properly utilised; is he satisfied that there has been some kind of an improvement; that they are trying to come on par with the other States. If it is so, then certainly, the principle of equity demands that we help them in getting rid of their backwardness. But according to my information, funds are not being utilised for any productive purposes. They are being used for revenue purposes. Salaries are being paid out of this, and all other things which normally are not supposed to be done by them, are being done. If, with this kind of a special dispensation, productive assets are being created, then certainly, everybody would support them and help them to come on par with the other States. But if the States are not utilising their funds in a proper manner, I would like to know as to what remedial action the hon. Finance Minister is contemplating, because, with the scarce resources available with the Ministry of Finance and the country as a whole, it becomes absolutely necessary that every pie is properly and productively utilised. If it is done, then, of course, we will have no hesitation in saying that equity demands that all the State Governments should be on par. From this point of view, I have one more request to make to the hon. Finance Minister. But he should not try to escape from his responsibility. This was also done earlier. But whatever was done earlier cannot be justified; your present position cannot justify that sort of an attitude. The report of the Fifth Pay Commission has been submitted. Unilaterally, the Central Government takes decisions on certain matters, irrespective of what impact it will have on the State Governments. I don't think you can escape your responsibility by saying that with our resources, we could do this. You have become more generous than what the Pay Commission had recommended and now a stage has come-- it is a very alarming situation -- when the Finance Minister must clarify as to how much money is available for development.

By accepting all the recommendations of the Fifth Pay Commission, you have shown a lot of generosity. Every pie has been distributed for giving pays, allowances and all kinds of other facilities that you wanted to

give. People are not paying taxes for getting their salaries and other allowances. What kind of development do you expect? It is a very frightening picture. It is not that I am trying to blame you. It is the result of the policies of successive Governments, and we have come to a stage where it is merely the distribution of money to certain sections. The common man cannot expect anything from the Government of India. This is the situation in which we are finding ourselves today. In fact, in this respect, I would like to make a very important point about the impact of liberalisation and globalisation on the country.

[The Vice-Chairman, **(Shri Rama Shanker Kaushik)** in the Chair]

Sir, I have been raising this issue from the time when Shri Barnala was the Minister in charge of Public Distribution, and sugar was one of the items about which I talked a lot. Now, sugar is being imported under OGL. Everybody says, "It was during your time that the OGL was started." It is fine. But you cannot escape from your responsibility, and now they are saying that anti-dumping measures are being taken and they are being paid. The excise duty is being charged. In fact, I am very much interested in finding out as to whether you are creating a level-playing field. The amount of subsidy which all these countries are paying to their exporters is something which I cannot imagine. The sugar comes here, the foodgrains come here. Now, there are about 700 odd items which have been added. In the name of W.T.O. -- a Trade Agreement which you have entered into -- you take the plea that it is an international obligation that we have to adhere to. In fact, in this context, I would like to refer to the recent Seattle Summit which was held in America. All the developing countries revolted against it. In spite of President Clinton's intervention in the matter, they could not come to any definite conclusion. They had to postpone the entire thing. The W.T.O. is five year old now. It was a review of the W.T.O. which was, in fact, to be done at the summit in America. But it was a great surprise; they could see that everybody was now talking against it. Exactly, the same position is now being faced by us. It is very unfortunate that when this Agreement was finalised, we were very happy that because of our insistence, a sentence or comma was changed and we were happy that we have played our part very effectively. But in the main text of the draft, there was hardly any change, and the substantive portion remained as it was. You merely succeeded in altering a sentence or a word. Therefore, my request is, you try to remind all these developed countries as to what was the commitment they had made to the

international community when the W.T.O. came into existence. The survival of the fittest was not the concept then. They said, "We are for removing the poverty. We are for giving equal opportunities to all the developing countries. They should also come on par." I can cite scores of instances where this kind of commitment was made by the developed countries. You should show them that this was the kind of commitment they had made and ask them whether they are going to honour it or whether they are going against it? I am sure, you will be able to place our case in a very effective manner. In this context, I would like to refer to the South Asian countries, including China, which also have this problem of unemployment. They have the problem of poverty, and anti-poverty measures, in fact, deserve to be taken. I have visited the Shanghai area in China in order to find out the impact of liberalisation in China. The Chinese Prime Minister, in fact, gave me an opportunity of seeing him. For 45 minutes, we discussed these matters. He said, "We allow imports on our terms. They cannot dictate the terms." But, now, here is a situation where importers are dictating the terms to us, and we are readily agreeing to them and submitting ourselves to all the dictates. Now it is MNCs that are going to take over, not the small-scale industry. This is the kind of reply that we hear. I was really amazed that a totally untrue picture was painted by the hon. Minister who tried to justify the Government's action, by saying, "We are doing our best." What kind of 'best' are you doing? A number of small and medium factories are closing. Hundreds and thousands of workers are being thrown out.

Why do you allow imports of this kind? In America and European countries, they are subsidising their agriculture. In some garb or the other, they would like to give protection to their own people. But, here, we never mind about thousands and lakhs of workers being thrown out. Nothing is being done for them.

Can we not have a measure to be put forth in international organisations? We should prepare that paragraph. It should not be their draft that we should alter. It should be a separate draft of our own, reminding them that we have the responsibility of creating conditions, in which the unemployment will be reduced.

Already a large number of workers have been thrown out. With this liberalisation, in spite of the promises and assurances that you may give, at least I have no doubt that you cannot succeed. We will have an unprecedented situation in India. Lakhs of people will be on the streets.

It is not only that; another picture, in fact, is also very frightening. Nitish Kumarji, our Agriculture Minister, gave us to understand that he was going to throw open agriculture to contractors and businessmen. A number of articles against this have appeared in all the newspapers. If the agriculturist is also deprived of his land, it is going to be a very dangerous situation. As if you have not done enough damage so far as the industrial sector is concerned, now you are trying to enter even agriculture, to give this benefit to industrial houses or other private people who will take over agriculture for their life. I don't think that the agriculturist can possibly do any other business. He has been traditionally, for centuries together, doing agriculture only. If the agriculturist is going to be deprived of his land, it will be the total negation of the land reforms that we have done so far. We have prohibited all those who are not agriculturists from going into that profession. If we allow this kind of a situation to arise, I want to warn the Government that a situation will be created, wherein millions of agriculturists will have no opportunity of doing anything. They will become slaves of multinationals. Would you like to create that kind of a situation in India?

Mr. Finance Minister, you have imposed 60 per cent excise duty. But this 60 per cent duty is not going to be beneficial to us. In spite of the 60 per cent duty, sugar, wheat and now even milk powder is being imported on OGL. If you allow the milk powder to be imported from the developed countries, we will soon be in the midst of a situation where we will be depriving ourselves of our position of being the biggest milk producer, a position to which the Milk Cooperative Fedeation has brought us. Your actions will bring us near a frightening situation. That is why I thought it necessary to bring all these issues to the notice of the hon. Finance Minister so that he can appreciate and take note of what I am saying. I am not interested in raising any partisan issue. I am having a picture of India as a whole. The future of India should be a matter of great concern not to me alone. It should be a matter of conern to all of us. That is why we should not allow things to be taken to such a level where it becomes impossible for us to go ahead democratically and show to the people that what we have done is for their benefit. I have made these submissions, knowing fully well that they do not come under the purview of the Finance Minister. I know nobody can oppose the Supplementary Demands which have been put before the House. At least I would not take that kind of a step. But I do take this opportunity to place these issues before you, because I am expecting a very disturbing kind of a situation.

Kindly try to clarify, if it is possible for you. Otherwise, you can write to me as to what you feel about it. Thank you.

SHRI NARENDRA MOHAN (Uttar Pradesh): Sir, my learned friend, Chavan Saheb, is a great leader.. Someow, he is painting a gloomy picture. It is not so. We do not want to make anybody slave. We do not want creation of slaves in agriculture or anywhere else. Nor are we pursuing a policy that would go towards that direction.

Let me now come to the recommendations of the Eleventh Finance Commission. One may differ with its recommendations. The State Governments have their own views. There is no compulsion for anybody to follow those recommendations, but the Government of India will definitely take a view, which is in the overall interest of the country. Differences have developed in the past, and they are going to be there even now. If the Government of India accepts the recommendations of the Eleventh Finance Commission, that does not mean that a grim situation is going to befall over India.

In regard to the development expenditure, if I read out the highlights of the Central Plan for the year 2000-2001, it would look like a Budget speech. Mr. Chavan should know what we are going to spend on rural development, rural housing, land resources, drinking water supply, cooperation and industries.

SHRI S.B. CHAVAN: Why don't we have a discussion on the mid-term review of the Plan?

SHRI NARENDRA MOHAN: Well, that is for you and the Chairman to decide. If the Chairman so decides, we will be there for the debate. We always believed in debate. If your party suggests a debate, our party will be ready for it. Anyway, it is for the Chairman to decide.

The point is, we need money for development. I wish the speech, which the hon. Finance Minister delivered in the Lok Sabha some two days back should have been read here. It says certain things very categorically. He says, "As far as the management of expenditure by the Government of India in the first quarter of this year is concerned, I would like to point out to the hon. House that the management this year has been a little better

than it was during the same period last year. According to the Budget Estimates for 2000-2001, the total expenditure budgeted for this year is Rs.3,38,487 crores, out of this, the actuals up to June were Rs.57,083 crores which, as percentage of BE, works out to 137 per cent. When we compare these figures with the actuals of last year during the same period, we find that last year up to 30th June, we had spent 40 per cent of the Budget Estimates. But this year it is only 137 per cent. ." What does this show? This shows that the economy has been better managed. This shows that the Government of India, the present Government is controlling the expenditure in absolute terms. We have spent Rs.I,572 crores less during this year than we had spent in the last year. Is this not an improvement? How could you say that this Government is not controlling expenditure? This is the first Government which is trying to control the fiscal deficit in a most positive way. The fiscal deficit during the first quarter of this year has been only Rs.25,073 crores. It is 23 per cent of the Budget Estimates. Last year, the fiscal deficit was Rs.33,512 crores which was 42 per cent of the Budget Estimates. Even the fiscal deficit has come down. Is this not an improvement? These are Appropriation Bills. Whatever money the Minister is seeking is for good purposes. Why do you want to criticise the Government for nothing, when there is an overall improvement everywhere? He says that the Congress Party feels that the impact of liberalisation is totally negative on India. Well, there can always be two opinions on this issue. Let this be debated. Ultimately, liberalisation is going to benefit this country. It is a known fact. We are moving towards that. No Government can shut the doors, to liberalisation. India is not a small island. We have to move forward with the world. We have to open up our economy so that we can derive benefit from the economies of other countries. The Congress has started the policy of liberalisation in 1991. Mr. S.B. Chavan was a Minister then. If we are following the same route, which we also feel is good for the country, then, what is the objection? It is wrong to suggest that liberalisation has brought doom to the industrial sector. The industrial growth rate has been 6.4 per cent. Let me give you some more figures on this. I quote: " The fiscal year 1999-2000 has so far witnessed a definite turn- around in the field of industrial sector. The available indications suggest a robust performance of some of the corporates in the first half of the year, in terms of sales and profits, implying the end of a somewhat recessionary period. During the first half of 1999-2000, April-September, the industrial sector has recorded an appreciable growth rate of 6.4 per cent, which is higher than the preceding year. That was only 4 per cent. It has increased from 4 per

cent to 6.4 per cent." Sir, definitely, this year, we are going to register about 7 per cent in industrial growth. Is it something to mourn about or to grumble? There is nothing to grumble on this. The country'seconomy is booming. The GDP is booming. Here again, I would like to quote: "The economy performed better than expected, in 1999-2000. The GDP grew by 6.4 per cent for the second consecutive year , it has been more than 6 per cent growth. The industrial sector led the growth, with a 7.8 per cent growth, compared to 4 per cent growth in the previous year. The service sector continued to grow at a healthy rate of eight per cent and according to the Centre for Monitoring Indian Economy, the economy is poised, with this, for another year of higher growth in 2000-2001." I am giving these figures to the House to let the House judge impartially, let the House judge with a cool mind whether the economy is going down or it is improving. If the economy is improving, then what is the cause for complaint? It is unfortunate because for political reasons, if you start opposing the Government or the Government's economic policies, it will be very unfair; very, very, unfair. I think this is not the way for one to deal in a democracy. As I said about the industrial growth, we are definitely much better than last year, much, much better. Coming to agriculture, my friend from the Congress party has just said that we are really, practically, going to make farmers slaves. What is the basic need of our rural economy? From where will the money come? Unless we are willing to invest more in our farms, will the Indian rural economy be able to compete? Indian farming, Indian agriculture, must be made competitive in the international market. To make the Indian agriculture competitive in the international market, it is essential, Sir, that it must have a lot of investment. This investment will come only from the big corporate sectors. It is a big debate again. Let there be a debate on this issue. Even what Mr. Nitish Kumar has said is a suggestion. Let the debate go on. But one must ponder and try to search for a reply. Unless the investment goes to the agriculture sector, the agriculture sector will never become competitive in the international market. The cost of production of Indian agriculture is very, very high. How to reduce it? How to improve the productivity of agriculture? It is there that we need investments; it is there that we need money. Who will provide that money? Not the poor farmer; he does not have the money. Even in those areas like Punjab where agricutlural growth has been bumper, who owns the land and who does the farming? Farming is being done by labourers from Bihar. That does not mean that the farming concept has changed. I am not going into the details. But I am only trying to say that to announce like this,

as if this Government is not caring for the farmers, is going to make them slaves, is very unfortunate. It is a very unfortunate comment. Such a comment should not come at least from the Congress. Sir, I would like to say here that there is a need for a proper policy. Definitely, there is a need for a proper policy. But what should be the policy? The policy should be one which can give growth, which can give employment, which can sustain industry, which can bring the confidence of the nation back in the economy. And we are moving towards that.

Now, the sugar case has been narrated by my friend, Mr. Chavan. Again, the same old story is being repeated. There is definitely a case here. The sugar industry of India needs protection. But then, is this issue related to the present Appropriation Bill? If the sugar industry is to be discussed, it should be discussed separately. I agree with him that the sugar industry needs protection. But, how to protect it? Not through this Appropriation Bill, not through this discussion. But still, he has a view and he has every right to make a comment like that.

Sir, again, I would like to say here, on the banking sector, that the banking sector has really made a lot of improvements. I have got a RBI report with me which says, there is an unparallel improvement in the banking sector during the last two years. During the last one year, we have witnessed not only a lot of credit to the farmers, to the small sector, to the industry, but also the bad debts of the banks, the NPAs of the banks have come down.

SHRI RAJU PARMAR (Gujarat): They are 51,000 crores of rupees.

SHRI NARENDRA MOHAN: If you compare the figures, you will find that they have come down. I think, the Finance Minister will be able to tell you more about it. (*Interruptions*)

SHRI AMAR SINGH (Uttat Pradesj): Crores of rupees are being doled out. (*Interruptions*)

SHRI NARENDRA MOHAN: Well, on the whole, the situation in the banking sector is improving. My friend, Mr. Amar Singh, knows more than what I know about this issue. (*Interruptions*)

SHRI RAJU PARMAR: Let there be 10 per cent recovery, at least. All assets, collateral securities are there. Why is there no recovery?

SHRI NARENDRA MOHAN: India is basically an agro-based nation. We should be concerned with the food, and on the food front, I would like to read out the report of the Reserve Bank of India. It says: " There is an impressive agricultural growth performance." This is how they start. I am reading out from the Reserve Bank of India's bulletin for the month of May 2000 which says: "There is an impressive agricultural growth performance in 1998 which was followed by a little decline in 1999-2000." It further says: " The foodgrains stock with public sector agencies at the end of February 2000 stood at 29.74 million tonnes which is higher by 30.7 per cent than those at the end of February 1999. Stocks of both wheat and rice have registered a considerable increase, and presently, the stock levels are about twice the norms specified by March end. The current high level of foodgrains stock is due to the substantial rise in procurement of wheat and rice at a relatively low off-take." Now, the situation on the food front is quite satisfactory. Now, we should bother about the future. After ten years, the country needs another additional 100 million tonnes of foodgrains for the new population which will be added up to the present population. But that is a different issue. The question is, let us not prophesy such things. Let us not try to belittle the confidence of the nation. Let us not say such things which erodes the confidence of the nation. That is my submission. I suggest that this House should unanimously approve the Appropriation Bill, and that is the best one can do. Thank you very much.

SHRI NILOTPAL BASU (West Bengal): Mr. Vice-Chairman, at the very outset, I must concede and confess that Mr. Narendra Mohan was very impressive and at his confused best. But I would not like to remind him of that adage, "lies, dam lies and statistics." I would also not like to use the language of Shakespeare that he spoke a lot of sound and fury, signifying nothing. I would limit myself to deal with two specific issues which will amply demonstrate the philosophy, the modus operandi and the approach of this Government. To start with, referring to what Chavan Sahib was saying about the Government having to take care of wasteful expenditure, now, the resource mobilisation is a very important subject about which this Government talks of day-in-and-day- out. But, Mr. Vice-Chairman, Sir, I would like to recapitulate the events of April, 2000.

We were informed through Press-reports that after three years of investigation of 37 foreign institutional investors, 24 foreign institutional investors who had invested in the share market were served notices by the

Income-tax authorities. There was, Mr. Vice-Chairman, Sir, subsequently a shock wave running through the share market and the Sensex came down. We saw immediately the intervention of the Finance Minister unlike Dr. Manmohan Singh who once said, "I do not lose sleep over the bull-run in the share market."

The Finance Minister reacted with a certain degree of alacrity, and there was a circular issued immediately by the Central Board of Direct Taxes (Circular No.789). If need be, I can authenticate that and place that Circular on the Table of the House. That circular says that the case the Income-tax authorities were making was that not withstanding the Double Tax Avoidance Treaty that we signed with Mauritius in 1983, there was a foolproof case against all those foreign investors who were routing their investment through Mauritius. Mr. Vice-Chairman, Sir, I would like to quote from a document--which also I am prepared to authenticate and place on the Table of House, which, anyway, I have to make public--this is the assessment made of one company called M/s. Cox & Kings Overseas Fund (Mauritius) Ltd., for the assessment year 1997-98. The assessment was made by Shri S.C. Sonkar, Joint Commissioner of Income-tax, Spl. Rg. 12, Mumbai. I must feel proud that our country has officers who have done such a wonderful research to prepare such a well-documented case for those who are bringing in hot money to the country, who have created facilities in Mauritius for the express purpose what in tax parlance is called "Treaty Shopping". Let me come to the business of "Treaty Shopping".

"Treaty Shopping", as has been defined, is a concept--Sir, I request you to give me a couple of minutes more exceeding my time because what I want to say is quite important--where facilities are created in a third country for the express purpose of avoiding tax, not doubling the tax. The definition given by the Chartered Accountants Society of Bombay is as under:

"The abuse of Taxation Treaty, commonly known as "Treaty Shopping", as described in "Tax and Treaty Guidance", published by Bombay Chartered Accountants Society, is a Treaty between State A and State B applies to a resident of either of the two States. A resident of a third State does not get access to a treaty."

"Treaty Shopping is use of a treaty by persons who are not themselves entitled to access a treaty."

"A most common way of doing this is through a 'Conduit company'."

Now this Government talks of globalisation. He was so eloquently arguing for liberalisation. Now the world over, the developed economies.....*(Interruptions)*...I am not casting any aspersions on your defence. What I am saying is that in the developed economies....*(Interruptions)*....

SHRI NARENDRA MOHAN: I am glad that you agree with that. ...*(Interruptions)*...

SHRI NILOTPAL BASU: In a civilized liberalised world what they do is what the OECD countries are doing. They have created a Fiscal Management Committee. They are running a campaign throughout the world today against tax havens. They have brought out a treaty against the conduit companies. But in our country we have a different yardstick for globalisation. What is this different treaty? The CBDT comes out with a waiver that whosoever produces a certificate from the Mauritius authorities that he is a resident of Mauritius, he is exempt from all capital gains tax. Though the name of the treaty is Double Tax Avoidance Treaty, Mauritius does not have a capital gains tax system. But still we are saying that the income that they make from the Indian share market is exempt from income-tax because there is a treaty. It was a tax case which should have been referred to the legal authorities. I don't know whether the Government had referred this case to the Law Ministry or whether the Government had referred this case to the Attorney General as they have been doing very conveniently in the past. That was not done. But we have a case, Mcdowell and Co. *versus* CTO. This was a case of 1985 which had been made out from Mr. Sonkar's report. The Supreme Court observed and I quote:

"The argument that the tax authorities cannot challenge abuse of treaty is not in accordance with law."

"The tax laws of most countries include provisions or principles that disregard transactions undertaken for tax purposes if, contrary to the legislative intent, the contracting parties employ unusual or

artifical measures solely intended to circumvent the words of the statute or measures that would not have been employed aside from the tax considerations."

..... **(समय की घंटी)** ..... सर, मैं थोड़ा इजाजत चाहूंगा आपसे। The point is very clear. It was a legal case. Why was it not referred to the legal authorities? We don't know. We are now told by the Finance Minister that 61 per cent of the total FII in this country is coming through the Mauritius route. Even after this case, the FDI is also being routed through Mauritius. How much money are we losing? Let the Government come out with the calculations before the House as to how much money we are losing on the basis of the interpretation, which the Government is giving, that anybody who produces a certificate of residence from Mauritius will be exempt from the Indian tax laws. Let the Government come out with the figures. If that is what transparency is all about, let them come out with the figures. Our calculation is that, on the FII front itself, the loss to the country is more than Rs.3,000 crores. The reason why I say this is that there was 80 per cent appreciation in the dolex market and an amount of Rs.40,000 crores was invested in the Indian market. If you take the FDI amount into account, it will be astronomically large and all this is being done in the name of globalisation . The experience of globalisation is that OECD is making an all-out campaign against the tax havens. But we are taking umbrage behind globalisation to facilitate this kind of wrong-doing by people who are indulging in flooding our share market with hot money, so much so that one, not by the taxman at the door, can send shivers through the share market and the share market crashes. Immediately after that, the Finance Minister indulges in such a manner that the CBDT comes out with the infamous Circular No.789.

I will now briefly contrast this with the approach of the Government towards the workers of the public sector units. In the Supplementary Grants, a budgetary support of Rs. 229.50 crores has been kept aside for the Voluntary Separation Scheme for seven PSUs, five of which are located in the State of West Bengal which I represent. An amount of Rs. 152 crores as supplementary grant has been sought. Sir, let me put a question to the hon. Finance Minister. Is this a Voluntary Separation Scheme? Or is it an Involuntary Separation Scheme? I can name one company, i.e. Jessops, which is a running unit where the workers have not been paid their salaries for the last four months. The officials are saying, "Unless you accept the VSS or unless you accept privatisation, you are not going to get your salary.

I would like to quote what Shri Yashwant Sinha said about statutory dues on 20th July, 1998 in this very House. He said, "As far as the statutory dues are concerned....". Then our friend, Shri Gurudas Dasgupta, tried to extract an assurance. Shri Yashwant Sinha was magnanimous. He said, "This is an assurance. If I am speaking in the House, it is an assurance. I am conscious of this. I have been in this House for a long time to know what constitutes an assurance and what does not." I have been in this House for much less time. Sir, the statutory dues today have piled up to Rs. 1,700 crores. Forget about Provident Fund or gratuity. I am talking only about salary. It is piling up every month. I have the names of seven or eight companies, i.e. M/s Weighbird, Jessops, Burn & Standard Refractory Unit, National Instruments Ltd., Cycle Corporation of India, etc. For the last four to six months the workers are not getting their salaries. What we are seeing in the Supplementary Budget is, the Government is trying to close down those industries. Earlier, it was said that the Government would firm up its decision on the basis of the Expert Committee report. I have with me the report of the Expert Committee on MAMC. They are talking about the revival. They are talking about other options. They never talked about closing down these industries. The Government is saying, "We are closing down these industries and for closing down these industries we are spending this much money. We have done our calculation. Our calculation is, the cost of revival is much less as compared to closing it down." Sir, this is a money Bill. So far as the fate of this Bill is concerned, all these talks will not make much difference. But I would like to use this opportunity to put this question to the hon. Finance Minister. Would he agree to inquire into what has happened to the whole issue of allowing a very liberal interpretation of the fund which has been coming through the Mauritius route? As per the Expert Committee report, will he consider reviving some of these units? Will he, at least, stop this blackmailing by the officials of the Government of India that unless you accept privatisation or unless you accept VSS, we are not going to give you the salaries which you have earned legitimately? Thank you.

SHRI RAJEEV SHUKLA (Uttar Pradesh): Do you want an inquiry from 1982 onwards? (*Interruptions*).

SHRI NILOTPAL BASU: The issue is not about the Treaty. The issue is about the Circular No. 789 which made such a liberal interpretation.(*Interruptions*).

SHRI NARENDRA MOHAN: Sir, this issue does not come under the Appropriation Bill. (*Interruptions*).

SHRI M. VENKAIAH NAIDU (Karnataka): It hurts both, the Congress Party as well as the CPI(M) because it happens to be... (*Interruptions*)

SHRI NILOTPAL BASU: Do not make that *interpretation*. (*Interruptions*) We will make these papers public. (*Interruptions*)

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : आसन ग्रहण करिए । ...**(व्यवधान)**...

SHRI NILOTPAL BASU: Why this hastle? (*Interruptions*)

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : नरेन्द्र मोहन जी, आप आसन ग्रहण करिए । Shri C. Ramachandraiah. (*Interruptions*)

SHRI C. RAMACHANDRAIAH (Andhra Pradesh): Mr. Vice-Chairman, Sir, I thank you for giving me this opportunity. I support the Appropriation Bills. The previous speaker did not even say whether he was supporting or opposing the Appropriation Bills. (*Interruptions*) Sir, as usual, the Government has come forward with these Supplementary Demands and we are obliged to support it. (*Interruptions*) Sir, I wish to point out some inconsistencies with regard to the Eleventh Finance Commission. It is true that for the past twenty days, there has been a national debate going on on the Finance Commission's recommendations. If any State which is legitimately supposed to get more funds is deprived of it, it is natural that it will become more sensitive and it will react. We belong to the Telegu Desam Party. Though it is a regional party, we have been behaving politically with a national outlook, but not at the expense of the development of our State, undoubtedly. In that context, I want to bring to the notice of the hon. Finance Minister certain inconsistencies and certain recommendations which go against the spirit of his advice to the States. Sir, in his last Budget speech, he advocated that the States have to undergo so many reforms; they have to maintain fiscal discipline, reduce the fiscal deficit and so on. But, ultimately, by accepting the recommendations of this Finance Commission, what is the message that you have sent? You have given a package of reforms to the States for implementation. We have followed these reforms. With more vigour and strength than there is in your argument, we have been implementing it. But, ultimately, how are the

States, which have been following these reforms, being benefited? Sir, I will quote what the Finance Minister said. He said, "The challenge of fiscal management is not confined to the Central Government. The financial position of the State Governments has deteriorated sharply in the last few years. The revenue deficits have widened and the borrowings are being increasingly used to meet the revenue expenditure. Fiscal reform at the State level has acquired great urgency. While we have gone out of our way to help the State Governments, the determination shown by some States to deal with these issues has also helped enormously. It will be my endeavour to take further corrective measures in the next year for promoting fiscal reforms in the States". I want to question the Finance Minister. Is your acceptance, in toto, of the recommendations conducive to achieve this objective? There is one more question. So far as the recommendations of this Commission are concerned, they have got different standards for the Centre and the States. One of the terms of references of the Eleventh Finance Commission is with regard to the restructuring of public finances so as to restore budgetary balance. The targets set for reduction of revenue and fiscal deficit are clearly stiffer for the States than they are for the Centre. During the Eleventh Finance Commission period, that is, between 2000-2001 and 2004-2005, the Centre's fiscal deficit is targeted to decline by 1.14 percentage points. It is 1.14 percentage points for the Centre; whereas for the States, the targeted reduction is by 2.21 percentage points. In fact, the Centre accounts for a major part of the combined Centre-State fiscal deficit. In the year 1999-2000, out of the total combined fiscal deficit of 9.84 per cent of GDP, the Centre's deficit was 5.64 per cent; and only 4.2 per cent belonged to all the States put together, or, 58 per cent of the combined deficit. The targeted reduction in the revenue deficit is also higher for the States than for the Centre, though the Centre's share in the combined revenue deficit is also larger than that of the States. Are the States expected to operate under harsher budgetary constraints than the Centre? Is it justified? You cannot have a lesser discipline for the Centre and a stricter discipline for the States. You cannot impose it. Of course, we, in the interest of our own State, have a self-imposed discipline and we have been practising it. Sir, undoubtedly, we can say that those States which have introduced some reforms and which are implementing them more vigorously, and which have achieved some results in economic and social sectors, have clearly been penalised. This is sending a wrong message. We are not against the backward States; we are not against the poor States. We are aware of the principles which have been enshrined in the Directive

Principles of the Constitution and which aim at eradicating the economic imbalances of various regions of our country. We know it. But that does not mean that you can penalise the States which are implementing the reforms. One hon. Member from the B.J.P. has been championing the cause of reforms. What is the reward you are giving to the States? Without mincing words, we can say that we are not against the poorer States; we are not against the backward States. But don't try to perpetuate poverty. You clearly fix some cut off date, like you have been considering for population control -- either 1991 or 1995 or 1996, whatever is possible for you. So, you fix a cut off date. If you are going to supplement the States for their continued maladaministration and indiscipline in the financial sector, then definitely, other States will... *(Time Bell)* Sir, you should allow me some more time. It acts as a disincentive to other States.

Sir, you take the example of Kerala. It has achieved a very good percentage in literacy, and this achievement was never taken into consideration by the Finance Commission. Sir, for all the reforms we have been introducing in our State, we are paying a political price. Today, we have hiked tariffs of electricity, and we are facing an agitation. The Congress and other opposition parties are fasting on that issue, but we don't want to go back on the reforms. We don't want to roll back. We are paying a political price for it, and you are penalising us here for that. Definitely, that is a disincentive. You should consider encouraging those States which are following your advice, which are acting in accordance with your directives, and which are working in the interest of the economy. You should not penalise them.

Sir, as far as subsidies are concerned, it is a strange thing that subsidies of the States have been totally ignored; whereas subsidies for fertilizers and subsidy for Railway Dividend at the Central level have been considered. It has been considered fully. In the case of subsidies which have been given by States like Andhra Pradesh for the past two decades, you cannot expect us to remove them within a fortnight. They have not taken into consideration these subsidies while making allocation of funds. Sir, I would touch upon one more aspect. The Finance Ministry had estimated around Rs. 40,000 crores as tax collection for the present year. The Finance Commission had assessed a lesser figure. The first quarter is over now and the results have come. The collection has far exceeded the estimation of the Finance Ministry. Even there the Centre has a cushion of

around Rs. 3,000 crores, which should have been included in the quantum of the amount that was to be devolved to the States by the Finance Commission.

Sir, there is a cap of 37.5% on the devolution of funds. The Finance Minister was kind enough to say that it was not mandatory. The total amount that is being devolved to the States is 37.5%. That means, 62.5% is to be retained by the Centre. What are the functions of the Centre? What are the functions of the States? Do you want to take away all the State Subjects and keep them with the Centre? Do you want to centralise all the powers at the Centre and function from the Centre itself? Actually, funds are to be devolved according to the functions done by the State, as per the responsibilities. The funds devolved is not at all commensurate with the functions of the States. Sir, there should not be a cap. Why do you accept the recommendations of the Finance Commission in toto? By accepting the recommendations, the Central Government has sent a wrong signal to the States. It has to be rectified now. At least, it should have taken the States into confidence by convening a meeting of the National Development Council or meeting of any other forum where the opinion of the States are considered. The recommendations of the Finance Commission need not be accepted in toto. There are umpteen number of precedents where you have deferred accepting some. When the interests of the States are affected, what for are the recommendations of the Finance Commission? What for is the existence of the Finance Commission? It is in order to secure fiscal stability and in order to strengthen the financial position of the States. But it is going totally against this spirit.

Sir, I request the Finance Minister to take all these aspects into consideration and ensure that the States, which are on the progressive path, do not take this as a wrong signal.

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu): Mr. Vice-Chairman, Sir, the Supplementary Demand for Grants for a total amount of Rs. 2,536 crores, has been brought before us for our consideration. Sir, we are at the crossroads now. Even the basic concepts and some formulae that were taught to us during our college days have become *null and void* in the ground realities of this sub-continent now. With regard to prices, previously we thought that the fiscal deficit and money supply would create inflation. But now the supply management has taken over and superseded the money

6.00 P.M.

factor. In exchange rates, when there was more fiscal deficit, the currency got strengthened and when the fiscal deficit was less, the currency got weakened. Here also, the formula we had been taught in the college days has been nullified now. It is totally a different one now.

Sir, with regard to the oil sector, I understand, and I do not want to go into the details of it because if I do so, the subject which I want to deal with now, I would not be able deal with. Instead of 14.6 billion dollars, the Government would have to shell out 16 billion dollars because it is expected that the use would be more than 26% as compared to last year.

With regard to direct taxes, we are able to achieve more than the targeted figures. It is more than the indirect tax collection. It is a welcome signal. Sir, at the outset, I would like to say that from Chavanji to Ramachandraiahji the agitating issue was with regard to devolution of funds to the States. Sir, the Chief Minister of Tamil Nadu has written a letter to the Prime Minister expressing his concern over the sharp fall in the funds' devolution to the State, in the wake of the 11th Finance Commission's recommendations. Before the recommendations of the 11th Finance Commission the total share of Tamil Nadu from the Shareable Pool was 6.637 per cent. It has now come to 5.385 thereby we are going to lose Rs.4711 crores. .....(*Interruptions*)... This is the only allocation which we can talk about. We have not come here to give protection to corruption. ...(*Interruptions*)... We have come here to discharge some functions. Our approach is totally different. Sir, the classic rupee support measure has failed. The formula which the Reserve Bank of India tried in June and July has failed. Sir, I am coming direct to the point. Sir, I quote from *The Hindu*, dated 18th August, which says," Adverting to the panel's recommendations, Mr. Karunanidhi has drawn the Prime Minister's attention to how well performed States including Tamil Nadu, going by the parameters of the Commission, have been penalised, resulting in a lower share of the finances, ironically for good performance." From today's newspapers we find that the Prime Minister has given some assurance that he would consider the issue positively. We hope that this commitment will be honoured without fail. Sir, apart from that there is devolution of funds for VRS and VSS. The National Relief Fund is not only meant for VRS and VSS, but it is also meant for re-training and redeployment. But there is no mention about it in your Supplementary Demands as to how much has

actually been sanctioned or whether you have decided not to sanction any amount for re-training and redeployment. The NRF is different from the VRS and VSS. Therefore, we hope that re-training and redeployment will find place in the new Supplementary Demands so that the interests of employees in the public sector are protected. Like you, we are also observing some fiscal discipline. When people are confronted with some problem, they come directly to the State Governments and not to Delhi. For example, in Tamil Nadu the problem regarding tea arose. You responded well. Sir, when this problem arose what we did is that we reduced the Sales Tax from 8 per cent to 4 per cent, we reduced CST from 4 per cent to 2 per cent. Then with regard to Import Duty we requested you and you were kind enough to say that the Central Government has increased the Import Duty from 15 per cent to 35 per cent. Sir, then subsidy of Rs.8 was given to tea which was manufactured at the rate of Rs.55 per kg. and below i.e. we have given a subsidy of Rs.2 per kg. for green leave tea so that farmers can get this benefit. Apart from that, we have appointed a Committee to look into the problem that when industrialists want to buy tea there is no cartel or syndicate to break the backbone of the tea cultivators. A Committee under the chairmanship of the Collector has been constituted. They are going to the auction centres to see to it that there is no mischief at the time of auction sale. Therefore, the cartel or the syndicate which the industrialists wanted to form has already been broken. Apart from that, there are some industries which are meant to export . At the same time, earlier they were permitted to sell in the domestic market also. This has also been banned. Therefore, whatever action we have taken, all of them are satisfied with it and they are getting what they ought to get. Therefore, this is how this issue has been resolved. Then I come to another point. You have put some Rs.14 crores for Oxford University you are creating a Chair there. But you have to see that India is a multilingual and multicultural country. You have to keep this fact in mind. I do not know what Memorandum of Understanding you have signed. All the culture and languages should be under the parameters of this Chair. For example, our Parliament Library is purchasing only English and Hindi books. They have totally forgotten that there are languages like Tamil, Bengali, Gujarati, Assamese, Malayalam or Telugu. If you go through the books purchased in the Parliament Library, you will find that regional languages are being discriminated against the so-called national language. Therefore, it should not be repeated. They must see to it that at least in the next session, there are some Bengali books, some

Tamil books, some Malayali books. I hope this message will go to the people concerned.

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : समाप्त करें ।

SHRI S. VIDUTHALAI VIRUMBI: Sir, I never used to ask for more time but this time you kindly allow me. Sir, when the Small Industries Development Bank of India (SIDBI) gives loan to State level promotional institutions, then refinance interest should be reduced so that the small industries will develop and benefit. My next point is about Salem Steel Plant. The Government of India must take decisions in consultation with the labour unions, labour union leaders. With their consent only they must take the decision about any policy. (*Interruptions*) Firstly, employment should not be affected; secondly, remuneration should not be affected; and thirdly, decisions can be taken by the Central Government only with the consent of the labourers. Sir, with regard to HPF -- when you come to Coimbatore I will show you that it is not in process -- I hope there will be a separate package for HPF. I hope you will go through that or appoint two or three Secretaries to find out the lacunae and see that it is revived again. More than Rs. 600 crores have been locked in that. Only working capital is required. They are paying a large amount by way of interest. That is why they are suffering. Therefore, what I feel is, you have taken some decision to repatriate the EEFC amounts from foreign countries. Apart from that, what I understood is, some Indians have deposited more than Rs. 600 crores in Cayman Island without giving any information to the Central Government. Some important Indians who are involved in politics have invested more than Rs. 600 crores. You should find out who they are, through Interpol. They have invested in London, in Cayman Island. You should find out who they are and see to it that it is impounded and then confiscated and brought back to the coffers of this nation. With these words, I conclude. Thank you.

SHRI K. RAHMAN KHAN (Karnataka): The Finance Minister has come before the House for authorising the payment of Rs. 2,536 crores through the Appropriation (No. 3) Bill and for authorising payments to the Telecom Department by Appropriation Bill (No. 4). Sir, the passing of Appropriation Bill in every Session has become a ritual. Almost in every Session of Parliament we have Supplementary Demands and sanctions for excess expenditure. Sir, I feel that the Parliament and the Members of Parliament as trustees of the people are not doing justice.

SHRI V. V. RAGHAVAN (Kerala): Sir, is it appropriate to discuss the Appropriation Bill when there is no quorum?

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : जब कोई चर्चा चल रही हो तो उस समय यह सवाल नहीं उठाया जाता, परम्परा यह है ।

SHRI K. RAHMAN KHAN: So, what I feel, Sir, is that the demands for excess expenditure should also go through the scrutiny of the Standing Committee or the Public Accounts Committee. Sir, why is there an additional demand? Why is there going to be an excess expenditure? This is an issue which is agitating the CAG and the Public Accounts Committee. Mr. Vice-Chairman, Sir, the CAG and the Public Accounts Committee have, in their reports, criticised this system of accounting. They have criticised that the accounting system, which is being followed, is outdated, not transparent and does not help in establishing accountability. Sir, the system hides more than it reveals. Being a Member of the Public Accounts Committee, I had an opportunity of going through the Action Taken Reports, the deficiencies in the Government's accounting system and the damage it is causing to the nation. The constitutional bodies like the CAG and also the Public Accounts Committee, sometimes, feel helpless in controlling the Government expenditure and the misuse of the executive power. I am not blaming the Finance Minister or any individual. I am blaming the system which we had inherited. It has to be changed. The Finance Minister has talked about bringing in the accounting standards at every level. The accounting standards should be such that there should be transparency and accountability. For this, I would like to confine myself to some of the Reports of the Public Accounts Committee on Telecommunications. Sir, there, the tendering system is so faulty. A tender was floated in 1992 for Rs. 247 crores for getting some items. The tender was finalised in 1993 and the actual supplies took place in 1997. What I am trying to bring to the notice of the House is, how defective is the budgetary system. You have provided Rs. 247 crores in 1992-93 when you took up the tendering process. During 1992-93, the amount of Rs. 247 crores was not spent and you had taken that amount as savings. Then, in the next four or five years, when there is cost escalation, you will again come back to Parliament with a Supplementary Demand or for making a further budgetary provision. So, there is a need to change the whole system and it is for the Finance Ministry to look into these aspects because, ultimately, the Finance Ministry controls the expenditure of all the Ministries. It is the Finance Ministry which is accountable to Parliament because it takes the sanction from Parliament

for the expenditure. How do we control the expenditure? We control the expenditure through audit, through the Public Accounts Committee's examination, and through the Action Taken Reports. I would like to bring to the notice of the hon. Finance Minister that your own department, which is supposed to submit the Action Taken Report, as per the norms, within six months, has taken, according to the Public Accounts Committee's Report, three years.

Then, how can we expect that the other Ministries will be responding to the Action Taken Report? Similarly, the Telecommunication Department, for which you are seeking additional expenditure, has still 8,000 audit paras which have not been answered for the last 17 years. Sir, what I want to convey to the hon. Finance Minister is, when he is coming with a Supplementary Demands would he ensure accountability and transparency? How would he ensure that wasteful expenditure is not incurred? I would like to quote here, "The Committee after Examination has revealed that mechanism of obtaining supplementary fund had been used by the DOT during 1996-97 in a perfunctory manner, without carefully making a proper assessment of the expenditure, as was evident from the fact that unnecessary huge supplementary funds of Rs. 474 crores had been obtained under voted portion of the capital, then that expenditure was not encurred and finally resulted in a saving of Rs. 849 crores. On the other side, highly inadequate amount of only Rs. 19 crores has been obtained as a supplementary allocation in a voted portion of the revenue section, where excess expenditure of Rs. 445 crores has been incurred." So, my point is, why is there this supplementary Budget? Because you have not properly analysed the budgetary system. The Finance Ministry itself admits, "The responsibility of framing the Budget estimate on a realistic basis, and also to ensure that there is neither considerable shortfall nor unforeseen excess expenditure, rests on the Ministries. To achieve this, the Financial Advisers are required to ensure..." *(Time-bell)* Mr. Vice-Chairman, Sir, my party was allocated 30 minutes. The first speaker had taken only 15 minutes.

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : उन्होंने 18 मिनट लिए हैं। 12 मिनट हो गए हैं। आप बोलिए, और बोल लीजिए।

श्री के. रहमान खान : यही बात करनी थी। I am not talking on the Finance Commission, which is not relevant; but I am trying to bring out how it is important for the Finance Ministry to dwell upon this very particular thing. I would like to know from the hon. Finance Minister how they are monitoring

it. Why the Action Taken Reports of the Public Accounts Committee have not been attended to? Why the audit paras have not been attended to? Even the CAG audit is a test-check audit. In one case, 1,500 microwave telephone terminals were ordered at the instance of the Minister, though they were not required. Though there was already a stock, they were ordered, and procured at the cost of Rs. 147 crores. What action did the Finance Ministry take? So far, in spite of the recommendations of the Public Accounts Committee that the persons who are responsible be identified and punished, action has not been taken against anybody for this wasteful expenditure, or for the expenditure for which there is no transparency. The Finance Minister had said in his Budget Speech also that he was going to have the accounting standards set.

The system of accounting should be reviewed. Even today, the Government system of accounting that was adopted during the British period has not undergone any change. There was no attempt to change it. In the case of the corporate sector, we are going in for international accounting standards. In various other things, we say that the accounting standards should be observed. There should be more transparency and more exposure of the whole thing which is going on. I would like to know where is the transparency in Government accounting. Where is the transparency and where is the exposure of the whole system? How do you control this tendering system? How do you control this wasteful expenditure? This is what we, as parliamentarians, we, as trustees of the people, are concerned about. You have come for Appropriation and for additional Demands. So, Parliament would like to know that every pie that the Government is spending, is spent judiciously and with equity. I am not saying this from my own imagination. I am saying this on the basis of the Reports of the Public Accounts Committee, which is the custodian to look into all these aspects. You have quoted in this that the Public Accounts Committee had approved the Demands. They had no other go.

उपसभाध्यक्ष (श्री रमा शंकर कौशिक) : कृपया समाप्त करें ।

श्री के. रहमान खान : सर, दो मिनट में समाप्त कर रहा हूं ।They had no other go. So, it is the duty of the Finance Ministry to see how many audit objections are there. How can 8000 audit objections of the Telecom Department be pending for 17 years? And still you come with a Demand. So, there should be some checks and balances. If some particular Ministry has not replied to the audit paras or if they have not carried out the

directions of the Public Accounts Committee, such Ministry's Supplementary Grants should not be approved by the Parliament till they comply with the directions of the Public Accounts Committee. Unless we ensure this and unless we have self-discipline -- the Executive is not different from Parliament, the Executive is the creation of Parliament -- and have certain parameters before bringing Supplementary Demands, it will become a routine matter. In every Session we will be taking the Supplementary Demands and then we will be passing them. We will talk anything on the earth and then we will say it is a fait accompli ; and then the whole Budget will be passed. The same system is being followed since the last 50 years. Mr. Finance Minister, I appeal to you that you should take it seriously because somebody has to take the initiative. I am sure, you will see this system is changed. The Finance Ministry should have total control over the expenditure. There should be accountability. When the Budget is voted, we should not be satisfied that we have been able to make some savings. One observation that I have to make is that once Parliament sanctions a Budget, it is mandatory on the part of the Executive, the Government, to implement that and not say that we have saved ten or twenty per cent. That is not the intention of the Parliament. Parliament has not given you the mandate to save. Parliament has given you the mandate to spend and see that the development works are taken up. So, I am sure, the Finance Minister will look into all these issues.

MESSAGE FROM THE LOK SABHA

The Central Vigilance Commission Bill, 1999

SECRETARY-GENERAL : Sir, I have to report to the House the following message received from the Lok Sabha signed by the Secretary-General of the Lok Sabha.

"Sir, I am directed to inform you that Lok Sabha, at its sitting held on the 22nd August, 2000, has adopted the following motion further extending the time for presentation of the Report of the Joint Committee of the Houses on the Central Vigilance Commission Bill, 1999:-